

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2016

Docket No. ACR2016

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
QUESTION 6 OF CHAIRMAN'S INFORMATION REQUEST NO. 15

The United States Postal Service hereby provides its response to the above-listed question of Chairman's Information Request No. 15, issued on February 10, 2017.

The question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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6. If a performance goal has not been met, the report for that fiscal year must explain and describe: (1) why the goal was not met; and (2) the “plans and schedules” for achieving the performance goal. 39 U.S.C. § 2804(d)(3). In its FY 2015 *Analysis*, the Commission stated that to fully comply with 39 U.S.C. § 2804(d)(3), the Postal Service should provide timelines for its plans to achieve performance goals if timelines fall outside of the fiscal year covered by the annual performance plan. FY 2015 *Analysis* at 15.
- a. The Postal Service failed to meet FY 2016 targets for the Point of Sale, Delivery, and Customer Care Center performance indicators.⁵ Please explain why the targets were not met.
 - b. Please explain and describe the “plans and schedules” for meeting FY 2017 targets set for the Point of Sale, Delivery, and Customer Care Center performance indicators.⁶ Please provide timelines for plans that extend beyond FY 2017.

RESPONSE:

a.

Point of Sale (POS)

After analyzing FY 2016 data, the Postal Service identified areas of focus from the POS Survey, including:

- Increasing the response rate to include a wider range of national perception across the retail network;
- Improving efficiencies in preparing customers prior to reaching the retail counter.

⁵ Compare Responses of the United States Postal Service to Questions 1-3, 4.a, 4.c, and 5-8 of Chairman's Information Request No. 10, February 7, 2017, question 7.b.i (February 7, 2017, Responses to CHIR No. 7) with FY 2016 *Annual Report* at 15.

⁶ See 39 U.S.C. § 2804(d)(3)(B); February 7, 2017, Responses to CHIR No. 7, question 7.b.ii.

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Delivery

The FY 2016 Customer Insights Measurement target for Delivery was 86.7 percent, with an end of year achievement of 76.27 percent. The residential component of the overall satisfaction score ended at 79.91 percent, followed by the small business score of 72.63 percent.

The goal of 86.7 percent was not met due to the need to establish a more effective strategy to achieve the target. The customer experience metrics are relatively new to Delivery Operations, and field communication and training are essential for all levels to understand their roles related to customer experience improvement. Improvement in both residential, small business, and overall satisfaction scores were seen each month from April to September of 2016:

Q1. Overall Satisfaction - YTD Response Count

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
All	6,818	11,985	16,637	23,422	29,950	36,779	43,047	48,818	54,616	59,959	65,469	71,159
All	76.89	76.28	75.89	75.67	75.53	75.42	<u>75.65</u>	<u>75.82</u>	<u>75.92</u>	<u>76.10</u>	<u>76.22</u>	<u>76.26</u>
Residential	3,401	5,994	8,237	11,774	14,914	18,278	21,396	24,289	27,264	29,983	32,759	35,675
Residential	80.95	80.50	79.64	79.47	79.21	79.07	<u>79.28</u>	<u>79.47</u>	<u>79.54</u>	<u>79.76</u>	<u>79.93</u>	<u>79.93</u>
Small Business	3,417	5,991	8,400	11,648	15,036	18,501	21,651	24,529	27,352	29,976	32,710	35,484
Small Business	72.84	72.06	72.14	71.87	71.84	71.77	<u>72.03</u>	<u>72.17</u>	<u>72.30</u>	<u>72.44</u>	<u>72.52</u>	<u>72.60</u>

Customer Care Center (CCC)

Customers using the Customer Care Center system rate call center agents on a scale of 1-9, but do not state specific reasons for their ratings. The Postal Service's overall CCC score was based on these ratings, and did not meet its FY 2016 target for CCC.

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b.

Point of Sale (POS)

Several initiatives are underway that will impact the POS Survey results, including:

- Updating the Lobby Assistant Standard Operating Procedures (SOP), and monitoring the use of the lobby assistant through mPOS transactions.
These lobby assistants will assist with preparing customers prior to reaching the counter and remove simple transactions from the line, leading to better efficiency at the window (FY 2017);
- Providing additional messaging to Sales and Service Associates (SSAs) via internal communications regarding POS survey information and the importance of their role in fulfilling customer satisfaction (FY 2017);
- Monitoring and sharing reports on the POS Survey response rates with the field. The Postal Service is also tracking clerk compliance, through the Retail Customer Experience (RCE), in circling the receipt and asking customers to take the survey to increase response rates (FY 2017);
- Updating the SSA Training to include more soft skills around the customer experience (roll out by FY 2018);
- Updating the customer-facing retail technology to be more intuitive and customer-oriented (March of FY 2018).

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Delivery

In FY 2017, Delivery has invested additional resources on two fronts to improve overall customer satisfaction:

1. In-depth analysis of multiple categories of customer related issues: Delivered Not Received, Undeliverable as Addressed scanned – then delivered in the same zip code, Change of Address and Misdelivery complaints, Business Closed scans at residential addresses. The focus is to more fully understand all the customer issues driving each category of complaint or delivery behavior.
2. Development of focused strategies for each customer issue/carrier behavior for field action to improve. Strategies are developed through results data analysis, field office visits, kaizen events, best practices communicated from field successes, and creation and distribution standard work practices.

By May 3, 2017, the Postal Service plans to implement the following work events as milestones:

1. In-depth root cause analysis of data on Misdelivery and Change of Address complaints;
2. Strategy development for reduction of Misdelivery and Change of Address complaints;
3. Field implementation of strategies and tracking for Misdelivery and Change of Address complaint reduction; and

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4. Kaizen event scheduled for March 20, 2017, for the purpose of reducing Where is My Package complaints.

For FY 2017, Delivery has 54 milestones planned to improve overall customer satisfaction and is on track to achieve the end of year target of 82.67. Current Delivery Index Score YTD is 83.77.

Customer Care Center (CCC)

As always, the Postal Service is looking to improve the performance of its CCC agents in FY 2017, and as a result is focusing on improving agent quality through focused training efforts. Current scoring for CCC year-to-date is 87 percent.